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Message Text

CONFIDENTIAL

PAGE 01 JAKART 04632 081111Z

12
ACTION EA-09

INFO OCT-01 ISO-00 EB-07 INR-07 SP-02 SS-15 L-03 H-02

/046 W
---------- 109911
P 080804Z APR 76
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC PRIORITY 3711

C O N F I D E N T I A L 4632

STADIS//////////////////////

E.O. 11652: GDS
TAGS/ ENRG, ID
SUBJECT: USG TAXATION OF INCOME FROM OVERSEAS OPERATIONS OF
U.S. OIL COMPANIES

REF : STATE 067633

1. EMBASSY HAS INFORMALLY LEARNED OF SUBJECT REVIEW FROM LOCAL MOBIL AND STANVAC REPS. FROM LATTER, WE HAVE BEEN ADVISED THAT IRS HAS RULED IN CASE OF MOBIL THAT EXCHANGE OF CRUDE OIL UNDER TERMS ITS PRODUCTION-SHARING AGREEMENT WITH PERTAMINA IS NOT ACCEPTABLE BASIS FOR TAX CLAIM. SINCE PRINCIPLE OF CRUDE SHARING IS KEY ELEMENT OF GOI/PERTAMINA'S PRODUCTION-SHARING AGREEMENTS WITH FOREIGN COMPANIES, THIS RULING, ASSUMING ABOVE INFORMATION IS ACCURATE, COULD HAVE SERIOUS IMPLICATIONS FOR U.S. OIL COMPANIES OPERATING IN INDONESIA.

2. WOULD APPRECIATE EA SEEKING CLARIFICATION ON CURRENT STATUS THIS MATTER AND ADVISING EMBASSY.
NEWSOM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, PROFITS, PETROLEUM INDUSTRY, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JAKART04632
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Document Unique ID: 00
Drafter: n/a
Enclosure: DECLASSIFIED PER 8/31/77 MEMO FROM EA/TIMBS - ROBERT E. FRITTS
Executive Order: N/A
Errors: N/A
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From: JAKARTA
Handling Restrictions: n/a
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ISecure: 1
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EO Systematic Review
04 MAY 2006

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TAGS: ENRG, ID, US, PERTAMINA, MOBIL
To: STATE
Type: TE
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